

Friday, 27 October 2023

Victorian Planning Authority

Attention: Sarah Doring – Strategic Planning Manager

**VIA EMAIL:** [osepsp@vpa.vic.gov.au](mailto:osepsp@vpa.vic.gov.au)

Dear Sarah,

**RE: VPA PUBLIC CONSULTATION: DRAFT AMENDMENT C274 - OFFICER SOUTH EMPLOYMENT PRECINCT STRUCTURE PLAN**

Representing **McMullin Commercial Pty Ltd**, we provide this submission regarding proposed Amendment C274 which includes the Officer South Employment Precinct Structure Plan (OSEP).

**The Submitter**

McMullin Commercial maintains a vested interest in the Cardinia Employment Corridor, as the owners and developers of the properties situated at 295 and 325 Cardinia Road, Officer South. McMullin Commercial plays a pivotal role in advancing the establishment of employment land, particularly in relation to Cardinia Road Employment Precinct (CREP). Both precincts, CREP and OSEP, share a geographical and strategic linkage, and it is within CREP that several issues have significantly impacted the development of industrial and commercial land within the Cardinia Employment Corridor since gazettal of CREP 13 years ago.

**Submission Grounds**

Our current view on the proposed Amendment C274 is one of concern, as we consider it will exacerbate the challenges faced by owners and developers of CREP. McMullin along with other land owners and prospective developers of land within CREP have been in communication with the Council for many years regarding the urgent need to update CREP and yet to date, no such review has been undertaken (nor committed to).

We assert that the current planning issues in CREP are overlooked by OSEP and advocate for a comprehensive and integrated approach that aligns the development and successful delivery of employment land within OSEP and CREP to ensure long-term economic sustainability and avoid a piecemeal and inequitable approach that fails to align with the regional planning framework.

Our emphasis is directed towards specific aspects of the OSEP relating to potentially inappropriate outcomes and negative impacts upon employment land creation within the wider Cardinia Employment Corridor, which must be a key goal of any employment

precinct within its extent.

Our primary concerns and submission grounds are specifically discussed below:

- **Inequitable planning controls across precincts**

A fundamental concern arises from the conflicting frameworks of the Urban Growth Zone schedules of OSEP and CREP. Specifically, we note the OSEP (and nearby Pakenham South Employment PSP for that matter, which is awaiting approval by the Minister for Planning) seek to introduce applied zones which represent a fundamental advantage over CREP, which lacks the implementation of applied zones.

This disparity has significant consequences, as it reveals an unfair misalignment of what uses and development are permitted within OSEP and CREP. This misalignment could lead to uncertainty, confusion, and ultimately harm CREP's competitiveness, investment attractiveness, and its ability to generate employment opportunities.

A land use misalignment between OSEP and CREP would also contradict Sections 1.2 and 1.6 of CREP which explicitly state that a role of this PSP is to *provide developers, investors and local communities with certainty about future development* and that the Victorian Government and Council have a role to play in *attracting investment and encouraging major businesses to establish in the precinct* respectively.

Inequitable planning policies and variations in the application of law could result in inconsistent land use planning, leading to mismatched land usage and development expectations. Inconsistent planning controls could also lead to economic disparities, with OSEP benefiting from more favourable use and development conditions, while CREP contends with outdated, overly restrictive regulations stemming from a policy neglect by local and state government agencies over the years.

To illustrate the inequitable planning controls that would be caused by OSEP being prematurely approved (i.e. without an adequate integration with, and review of CREP), we provide below a 'prohibited land use table' comparison between OSEP (as proposed) and CREP.

OSEP			
PSP Land	Applied Zone	Use	Prohibited?
Residential	Residential Growth Zone	Child Care Centre	No
Business	Commercial 2 Zone	Place of Assembly	No
Industry	Industrial 1 Zone	Leisure and Recreation	No
CREP			
PSP Land	Applied Zone	Use	Prohibited?
Residential	N/A	Child Care Centre	Yes
Commercial	N/A	Place of Assembly	Yes
Industrial	N/A	Leisure and Recreation	Yes

### **Recommendation:**

Addressing disparities in the Urban Growth Zone schedules of OSEP and CREP in an integrated manner is fundamental to ensure equal development opportunities are provided to the community across these two precincts.

We submit that the Victorian Planning Authority should urgently lead a CREP review process eliminating the unequal use and development opportunities scenario. Additionally, we recommend that OSEP explicitly acknowledges, in both Section 1.3 (Purpose of the PSP) and Section 1.4 (Regional and strategic policy context), the intrinsic relationship it shares with CREP. This acknowledgment will help establish a consistent framework that fosters the creation of employment opportunities for the community.

- **Infrastructure and employment land generation**

Amendment C274 and specifically the Draft State Infrastructure Officer South Employment Precinct (Section 4) proposes to withhold the delivery of OSEP Stages 2 – 4 until substantial infrastructure is delivered (i.e. IN-13 & BR-01 withholding Stage 2 and so on). This means that only Stage 1 of OSEP could be readily supported via permits after the PSP approval, without uncertain hold ups.

The abovementioned substantial infrastructure does not only include items specifically identified in Section 4 but also includes other items such as the construction of Thompsons Road. In this context, we submit OSEP's proposed Staging vs Infrastructure Delivery scheme is inappropriate as it might trigger the commitment and release of State Government funds to service OSEP ahead of CREP which is in urgent need of such funds. To exacerbate the matter, we note Stage 1 of OSEP contains all OSEP *Residential* and *Mixed Use* Land in lieu of employment land required within the Cardinia Employment Corridor.

We see the above as a clear indication that OSEP is likely to under deliver the release of new employment land, particularly Industrial land. It is worth noting that CREP has also failed to deliver any employment land in the 13 years since its adoption in September 2010. A significant factor contributing to this failure is the absence of an infrastructure system to support the precinct, particularly in terms of employment land.

We believe that OSEP fails to consider CREP as a valuable potential supplier of employment land, demonstrating a lack of strategic thinking behind the delivery of employment within the Cardinia Employment Corridor. Currently, CREP relies on land required for infrastructure outside CREP and specifically within the unprogrammed PSPs of CREP Part 2 and Pakenham West. In addition, CREP currently relies upon a collection of separate, individual contribution agreements, rather than a coordinated ICP or DCP. This approach leads to each development within CREP negotiating its own terms for contributions with Council, contradicting Section 1.6 of CREP which explicitly states that Council and the Victorian Government will fund, deliver and manage a range of infrastructure and services to support the development of the precinct. This approach also leads to a lack of cohesion, perpetuating a sense of confusion and adding to the pile of outstanding issues that CREP already grapples with. Instead of streamlining the development process and creating a unified vision for the entire region, a fragmented

approach of seeking the approval of new employment PSPs in the Cardinia Employment Corridor whilst abandoning CREP, risks a failure to deliver much needed employment land in the region.

In essence, the lack of alignment between OSEP and CREP, compounded by their disconnect in terms of infrastructure contributions and delivery, hinder the creation of a balanced, connected, and sustainable regional centre that provides jobs for the community.

The premature release of OSEP is in direct contradiction with Section 2.2.2 of CREP which states that *the release of additional land in the Cardinia Employment Corridor (which includes OSEP and Pakenham South Employment PSP) should be discouraged until the commercial area within the Precinct has significantly established*. As previously discussed, CREP has failed to deliver any employment land after more than 13 years since its adoption. The premature release of OSEP in this context would introduce additional layers of complexity and inequity that must be addressed as a matter of top priority by the Victorian Planning Authority before it extends CREP current failures into newly proposed PSPs.

#### **Recommendation:**

Streamlining infrastructure contributions through coordinated Infrastructure Contributions Plans (ICP) or Development Contributions Plans (DCP) for both OSEP and CREP is essential. A unified vision for infrastructure contributions will avoid inequity, fragmentation, confusion, and challenges currently faced by CREP, leading to a more integrated and efficient development process.

The OSEP ICP should acknowledge in Section 2.3 (Strategic planning and justification) the need to create an integrated solution for the provision of infrastructure within both OSEP and CREP, promoting a more balanced, and sustainable planning setting. A well-planned infrastructure contributions framework for OSEP and CREP would provide certainty to the broader community and establish a solid base for the Victorian Government to allocate much needed funding for critical items that support the delivery of employment land within the Cardinia Employment Corridor such as:

- The duplication and upgrade of the freeway bridge at Cardinia Road;
- The orderly delivery of road improvements along Cardinia Road;
- The delivery of Thompsons Road across OSEP and CREP.

#### **State Policy Support to our Submission**

While OSEP relies on numerous policies to support its proposed delivery of employment land within the precinct, there is a glaring issue when we look at the surrounding areas, particularly CREP.

It is concerning that CREP has not undergone any substantial updates or reviews since its inclusion in the Cardinia Planning Scheme in September 2010 through Amendment C130. This is despite Section 1.8 of the PSP explicitly stating the need for regular evaluation, at

*least every five years.* The foreword of the PSP itself emphasises the precinct's role as an integrated commercial and industrial business park, with the promise of generating significant investment, fostering economic growth, and creating job opportunities in the growth areas.

CREP provides a stark illustration of a PSP that falls short in delivering employment land at strategically vital locations, failing to align with current State Government Strategic policies. A primary reason for this is that CREP's development predates the introduction of the policies utilised in the OSEP. As a result, CREP lags in incorporating the most recent state policies, which are further discussed below and are critical for guiding and promoting balanced regional development.

In light of this, the need for an update to CREP becomes increasingly evident, especially before the adoption of the OSEP. By doing so, the Victorian Planning Authority can consolidate and address the existing issues related to employment and industrial land in the region, if it acts immediately.

The imminent release of OSEP and the urgency of aligning state policy with the current regional objectives makes a CREP review even more urgent and crucial. The lack of periodic updates and alignment with key state policies has resulted in CREP operating under an outdated framework that may no longer support evolving regional objectives. The disconnect between OSEP and CREP, despite their geographical and strategic connection, underscores the importance of updating CREP as a priority. This update is not only necessary to ensure that the potential of both precincts is fully realised but also to consolidate the current issues related to employment and industrial land in a comprehensive manner.

The following summary of key state policies highlight why aligning the strategic content within OSEP and CREP is imperative.

- Melbourne Industrial and Commercial Land Use Plan (DELWP, April 2020);

Incorporating data from the Melbourne Industrial and Commercial Land Use Plan (MICLUP) into both OSEP and CREP is imperative. MICLUP underscores the significance of the Officer-Pakenham industrial precinct, with a specific emphasis on high demand in the manufacturing sector. The data it provides regarding land consumption, commercial supply, and projected employment growth in the Cardinia region is invaluable for effective planning, support of industrial and commercial requirements, and facilitating job growth in the area. Consequently, this information holds relevance for both precincts, guaranteeing a holistic and well-informed approach to sustainable development and employment opportunities.

- The South East Economic Corridor Strategic Context Report to 2060 ('SEEC', November 2020);

SEEC designates both precincts as State Significant Industrial Precincts with Regionally significant commercial land, offering exceptional access to existing key transportation networks. It also recognises significant opportunities related to infrastructure developments

and consolidation efforts in CREP. Moreover, SEEC's report underscores the precincts' competitive advantages, potential for collaboration, quality of place, critical mass, and their strategic importance as transportation hubs within Melbourne's South East Economic Corridor. It is evident that SEEC views CREP as a high-priority precinct with substantial potential for delivering quality employment in the region, making this information pertinent to both OSEP and CREP for comprehensive planning and development.

- Precinct Structure Plan Guidelines: New Communities in Victoria (October 2021);

As the PSP guidelines encompass various initiatives, such as the introduction of applied zones and the small lot housing code, aimed at promoting adaptability, responsiveness to change, and flexibility in the planning process. This approach allows for strong stakeholder leadership to address challenges and foster innovative planning and development within precincts.

The strategic connection between OSEP and CREP underscores the importance of consistent planning and development approaches. However, the absence of these guidelines in CREP creates a gap, limiting its ability to adapt to changing circumstances, address challenges, and drive innovative development. Extending these guidelines to CREP is crucial to ensure it fulfils its role in terms of economic growth, job opportunities, and sustainable development. This alignment with OSEP is essential for a cohesive regional strategy that benefits both precincts and the community.

- Plan Melbourne – Southern Metro Land Use Framework Plan ('LUF')

The Southern Metro LUF is a 30-year strategic land use and infrastructure plans designed to establish a common land use framework across each of Melbourne's regions, so it sits hierarchically between the state planning policy (Plan Melbourne) and local government planning schemes.

Strategies in the LUF are to be implemented at the local level via amendments to local planning schemes to give relevant regional strategies status in the Planning Policy Framework, as well as updating local housing and local industrial land use strategies.

LUF's are to also supersede the Growth Corridor Plans for Melbourne's greenfield growth areas and thus will guide and inform the preparation of the remaining PSPs to be completed in Melbourne's Growth Areas, as well as their implementation.

The LUF Vision confirms places of State significance as identified in Plan Melbourne 2017-2050 (and addendum, dated 2019) such as the *Officer-Pakenham State Significant Industrial Precincts* (SSIPs) directing decisions and investment within these precincts. In addition, it promotes the creation of 20 minute neighbourhoods where residents have an authentic opportunity to conveniently access jobs and services locally available to them, which supports the creation of healthier and more sustainable communities.

The 'South Eastern Growth Corridor', containing the Officer and Pakenham SSIPs, is recognized as an emerging and rapidly growing corridor anticipated to host much of the Region's growth by around 630,000 people by 2051, becoming approximately 21% of Melbourne's total population.

The Southern Metro Region is projected to host at least 128,000 new jobs by 2031, aspiring to achieve a high level of employment self-sufficiency through valuing industrial land for its role to generate local jobs, whilst enabling compact residential neighbourhoods to establish in areas with good access to roads, bicycle and pedestrian links and in close proximity to such jobs.

CREP is a central precinct within the Southern Metro Region of Melbourne and plays a key role in supplying employment that meets State Government targets whilst contributing towards the creation of sustainable 20 minute neighbourhoods where residents can readily access jobs and other fundamental services.

## **Conclusion**

We have significant concerns regarding the exhibited documents for Planning Scheme Amendment C274, including the Draft Officer South Employment Precinct Structure Plan (OSEP). Our concerns are based on the history of Cardinia Road Employment Precinct Structure Plan (CREP), which has failed to deliver employment land in over 13 years since its adoption in September 2010.

The premature approval of OSEP as intended fails to acknowledge the need to review CREP and the urgency of a Planning Authority to lead a review of CREP as a top priority accordingly. Specifically, we are concerned about inequitable land use and development frameworks and the lack of an adequate system which guarantees the fair and adequate delivery of infrastructure.

In general terms, we believe OSEP (and other employment PSPs such as Pakenham South Employment PSP) should not be pursued in isolation and be disconnected from CREP, as this will create an inequitable and fragmented employment corridor within Cardinia. The exhibited OSEP neglects and thus exacerbates pressing issues of CREP and the Cardinia Employment Corridor capacity of generating employment land.

In this context, it is crucial that the OSEP addresses both short-term and long-term planning needs, considering both the immediate and future requirements of both OSEP and CREP. Neglecting CREP's existing challenges and proceeding with plans to unlock more industrial land without simultaneously addressing these issues is likely to impede CREP's growth, prolong its stagnation, create inequity and undermine the very objectives of State Government planning policies and those of OSEP itself, as discussed in this submission.

Given the above, we urge the Victorian Planning Authority (VPA) to lead a process which addresses existing failures within CREP in conjunction with OSEP. This process should urgently consider a CREP review which delivers consistent planning policies and provides certainty to owners and developers of the broader Cardinia Employment Growth Corridor.

We are eager to engage in further discussions with the VPA to facilitate this process. In this respect, we attach a copy of a CREP Review request made by McMullin to Cardinia Shire Council on 7 July 2021 (**Attachment A**) which outlines specific key aspects of CREP

that require an urgent review.

If you have any queries or wish to discuss this submission further, please do not hesitate to contact me via email [REDACTED] or telephone [REDACTED]

Kind Regards,

A handwritten signature in dark ink, appearing to read 'Randah Jordan'.

**Randah Jordan**  
Manager, Town Planning & Urban Design

Wednesday, 7 July 2021

Ref: 301522 001

Cardinia Shire Council

Attention: Marcelle Bell – Principal Growth Area Strategic Planning

VIA EMAIL: [REDACTED] and [mail@cardinia.vic.gov.au](mailto:mail@cardinia.vic.gov.au)

Dear Marcelle,

**RE: CARDINIA ROAD EMPLOYMENT PRECINCT STRUCTURE PLAN REVIEW**

We advise we act on behalf of McMullin Commercial Pty Ltd. We offer this submission, in respect to a request to update and review the Cardinia Road Employment Precinct Structure Plan (CREPSP). McMullin Commercial Pty Ltd are the owners of land at 295 Cardinia Road, Officer South (PSP Property No. 20) and prospective owners of land at 325 Cardinia Road, Officer South (PSP Property No. 21). A planning permit application for the staged subdivision of these properties was lodged with Council on 5 March 2021 and we have received a request for further information in respect to it on 1 April 2021. At the present time, we are working with the Council to resolve any outstanding items beyond our response to the further information request, submitted to Council on 25 June 2021. We expect this work to facilitate the issuing of a planning permit in support of the proposed subdivision.

As you would be aware, CREPSP has not been updated nor reviewed since its incorporation into the Cardinia Planning Scheme in September 2010 via amendment C130. This is despite Section 1.8 of the PSP explicitly stating *its effectiveness will be evaluated regularly, at least every five years*. The foreword of the PSP states: “*the precinct is planned as an integrated commercial and industrial business park...new opportunities for major investment, economic growth and job creation will be provided in the growth areas, as a result of the implementation of the CREPSP*”. It is therefore of significant concern, that to date, no employment land within the PSP has been developed, and no new jobs created, other than through the development of the Kaduna Park Residential Estate.

This is a distinct failure to implement the objectives of the PSP due to a number of issues. Over recent years, it has become evident that CREPSP is outdated and in need of an urgent update and review, in order to overcome these issues, and to support the creation of a sustainable and vibrant employment precinct.

At our meeting on 8<sup>th</sup> June 2021, it was made clear the Council are not committed to undertake a full review of the CREPSP in the short term but rather, that there will be a

focus on a streamlined process (i.e. a planning scheme amendment under Section 20(4) of the *Planning and Environment Act 1987*) to implement Applied Zones aiming at transforming CREPSP into a 'market ready' precinct. Although we welcome this CREPSP Review Council initiative, we believe it is over-simplified and unlikely to foster development and employment creation in the short and even medium terms. This is because it omits crucial policy review items which would make the CREPSP more flexible, clear and aligned with market demand and development realities. We also submit that completing a full CREPSP review in the next 2 – 3 years as it was suggested at the meeting would unreasonably impact upon the provision of employment land within CREPSP. We believe an adequate and complete review of the CREPSP is of paramount importance and accordingly it should be actioned as a highest priority. In this regard, we strongly recommend the Council initiates discussions with the Victorian Planning Authority (VPA) as soon as possible to obtain the necessary support to review the CREPSP in a timely and efficient manner.

In this submission, we discuss the CREPSP context and strategic background, whilst providing a justification for review, through the identification of several issues, which we believe would form the basis for an appropriate streamlined review of the PSP in the short term. To be clear, we have not undertaken a detailed review of the entirety of the PSP, but only identified some (not all) items that we believe justify the urgent need for a review, to be undertaken by Council, at the earliest opportunity. This submission is succinct but it can be complemented by further communication with the Council, supporting a streamlined CREPSP Review which would attract development activity and jobs.

## CONTEXT & STRATEGIC BACKGROUND

The CREPSP vision *is a high level statement of what is envisaged for the Cardinia Road Employment Precinct (the Precinct) and its new resident, working and business communities*. This vision is to be realised via the implementation of the PSP and with consideration to the following key elements:

- *Establish a regional economic hub;*
- *Stimulate local employment and business activity;*
- *Provide a new employment destination, that offers better transport options and shorter journeys to work trips*

The Precinct is approximately 590 hectares in size having the notable advantage of being split into 30 titles, many of which are regular in shape, large in size and owned by 16 landowners. The acquisition of 325 Cardinia Road, Officer South (PSP Property No. 21) by McMullin Commercial Pty Ltd will eliminate a predominant barrier to the integrated development of future subdivisions within the precinct.

In reviewing the context of the PSP, it is important to note other strategic planning initiatives that have been approved, and or reviewed and or are under preparation, within the wider Employment Corridor. The following PSP activity has been identified within Cardinia Shire, since the gazettal of CREPSP.

Cardinia Shire's PSPs	PSP Status	PSP Reviewed
CREPSP	Approved September 2010	OVERDUE
Officer (Town Centre & Residential)	Approved September 2011	November 19
Cardinia Road	Approved November 2008	June 2017
Pakenham East	Approved January 2021	N/A
Pakenham West Employment	Not scheduled	N/A
Officer Employment	Draft plan and background reporting	N/A
Pakenham South Employment	Adopted and Awaiting Gazettal	N/A

The above table illustrates that CREPSP is the only Employment PSP in Cardinia which has been completed, and yet the only PSP which has not been reviewed, in its over 10 year history. Furthermore, other Employment PSPs within Cardinia, some of which have already commenced preparation, have the potential to undermine CREPSP by contributing towards an oversupply of employment land.

In addition to all the strategic activity happening at Council, there has also been a significant amount of relevant strategic work done by State Government Department / Authorities, which now provide even further justification for an urgent review, including, (but not limited to):

- **Plan Melbourne 2017-2050 (and addendum, dated 2019 'The Plan');**  
This Plan identifies CREPSP to be within one of Melbourne's Five State Significant Industrial Precincts. A major issue identified in the Plan is to ensure there is sufficient supply of industrial land within such Industrial Precincts which are strategically placed near the Principal Freight Network and transport gateways, located close enough to residents to have good accessibility but far enough from them to ensure there is no land use conflict. Further, the Plan Principle of '20 minute neighbourhoods' envisages communities which conveniently access jobs by sustainable means, reducing car dependency. This Principle is a direct response to the urgent need for Australia to reduce its greenhouse gas emission per capita, being one of the highest in the world.

In this context, facilitating and supporting development of employment land within CREPSP will be consistent with the Plan.

- **The introduction of the Small Lot Housing Code (recently updated in 2020);**  
This document will further expedite development within small lots created contributing towards the consolidation of residential land within CREPSP, attracting a greater population which will demand employment land preferably within close proximity from home.
- **Melbourne Industrial and Commercial Land Use Plan (approved in 2020,**

**‘MICLUP’);**

MICLUP also acknowledges the importance of the Officer-Pakenham state significant industrial precinct, noting industrial land demand is strong particularly in the manufacturing sector. MICLUP indicates that an industrial land consumption of 14.23 hectares per year occurred within Cardinia between the years 2015-2018 and that its Commercial floorspace supply is estimated to increase by 217,000 square metres between the years of 2016 and 2031. It also shows a projected employment growth for Cardinia for the years 2016-2031 of 18,000 new jobs, being a rate of 3.9% growth per annum. Evidently, the supply of employment land within CREPSP would directly support anticipated industrial and commercial land demand and job growth in Cardinia.

- **The South East Economic Corridor Strategic Context Report to 2060 (‘SEEC’, November 2020);**

SEEC identifies CREPSP as a State Significant Industrial Precinct with Regionally significant commercial land, having excellent access to Principal Freight Network via the Princes Freeway and more broadly via the future Lyndhurst Intermodal Freight Terminal and Thompsons Road upgrade, the Cardinia Road railway station and the Officer Town Centre. This plan also acknowledges Kaduna Park Residential Estate development and the removal of Cardinia Road railway crossing being key opportunities to support the CREPSP consolidation. In addition, CREPSP scores high in the SEEC Report in respect to the categories of *competitive advantage (due to high visibility, access, large lot size supply opportunities and high amenity potential)*, *collaboration (industry and market connection opportunities)*, *quality of place (given its proximity to residential land, amenity facilities and connection to other employment facilities)*, *critical mass (subject to a more strategic approach to land use and economic activity)*, *transport and accessibility* (notably the Princes Freeway) and *anchor institutions* (expected to be hosted in the future by the Officer South and Cardinia Road precincts). Broadly, it is quite clear the SEEC strategic policies and purposes regard CREPSP as a precinct with high potential to deliver high quality employment within the South East Economic Corridor and in this context it should be regarded as a very high priority precinct.

- **The update to the Victorian Planning Authority’s PSP Guidelines (draft exhibited in 2020. ‘PSP Guidelines’)**

The PSP Guidelines present the attributes of some initiatives discussed in this letter such as the introduction of applied zones and the small lot housing code, respecting the principle of PSPs having to respond to change as well as being flexible and outcomes-focused providing opportunities for strong stakeholder leadership to overcome challenges, or to deliver innovation in planning and development. The PSP Guidelines also discuss the importance of facilitating well connected jobs close to where people live fostering diverse economic activity, employment and investment particularly within state significant precincts such as CREPSP.

## ECONOMIC POTENTIAL

As previously highlighted, Veris Australia is managing a planning permit application for the staged subdivision of 295 and 325 Cardinia Road, Officer South for our client, McMullin Commercial Pty Ltd. This proposed subdivision is expected to create approximately 148 Service Business and Industrial Lots, including a 6.2 hectare sized lot that would highly likely host a future Costco operation, subject to a specific (and separate) planning scheme amendment process for this purpose. In support of this planning permit application, an *Economic Benefit Analysis Report* has been prepared in December 2020 by Urbis and submitted in support of the application. This report identifies the following key points which further emphasize the urgent need to support local employment opportunities within the CREPSP for residents of Cardinia:

- Officer is driving population growth in Cardinia, predominantly supported by greenfield development (notably Kaduna Park Estate on the north western side of CREPSP);
- Cardinia Shire exhibits typical demographic characteristics of a growth suburb (e.g. younger age, larger household size, higher income levels, higher proportion of white-collar workers, etc.) relative to the older urban suburbs;
- 40 – 42% of all jobs provided in Cardinia and across the Region are blue-collar, whilst most blue-collar sections in Cardinia experienced growth in recent years;
- More local jobs are needed closer to home to battle above average unemployment, retain more workers within Cardinia and support future population growth;
- Dwindling employment land supply in Dandenong may result in employment suppliers to look elsewhere, including Cardinia;
- Establishing employment land within CREPSP would bring substantial economic benefit to Cardinia in many forms, including retaining worker spending to the local area and support other businesses, supporting a recovery from COVID, construction and development activity, increasing the range of commercial facilities available to the community, creating opportunities for residents to access jobs suited to their skill sets closer to home and increased taxation revenue to both local and state government.

Beyond the above data and before formally starting a marketing campaign to promote land sales, our client can certainly attest to a long list of interested parties besides Costco who have a genuine intention to operate within our client's land. Such commercial interest also extends beyond our client's land and across the overall CREPSP. Unfortunately, such commercial interest and future prospects to develop employment land are being currently compromised. Some of the issues identified below, are contributing factors to the delay of substantial economic investment within the corridor. These issues may indeed explain why the only significant development to have taken place since the approval of this PSP, is one that is residential in nature. It is clear that a comprehensive, and adequately prioritised review of the PSP would unblock some of the obstructions currently in situ, and unlock significant economic potential for the area.

## IDENTIFIED ISSUES

Below is a non-exhaustive description of items which in our view spark the urgent need for a comprehensive review and update of the CREPSP.

### 1. Lack of applied zones within the Urban Growth Zone – Schedule 2 (UGZ2);

Sub-Clause 2.2 of the UGZ2 includes a Table of Uses which intends to define what uses require a permit, what uses do not and what uses are prohibited for the overall precinct.

Given CREPSP includes a range of different types of land from residential to industrial, we believe a Table of Uses which regulates all possible land use scenario is inappropriate and often ambiguous. The UGZ2 Table of Uses have become over prescriptive and hinders potential uses which would otherwise be allowed in traditional residential or industrial zones. This over prescription and over regulation is contrary to the CREPSP vision by limiting good planning outcomes, creating uncertainty and repelling planning activity and investment.

A clear example of a use which is inappropriately hindered by the UGZ2 Table of Uses is a Restricted Retail Premises use being prohibited unless it is located in an *Activity Centre*, *Commercial* or *Service Business* and be specifically *automotive parts and accessories*, *equestrian supplies* or *swimming pools*.

Restricted Retail Premises (bulky goods) are popular businesses which offer a great range of products to local communities and which can be an excellent source of employment. They are often located outside of main shopping strips, in very similar contexts to that provided by this PSP.

The above limitation unduly prevents restricted retail (bulky goods) items of a different description to the above, anywhere in the precinct, without offering the option of lodging a planning permit application which can demonstrate site responsiveness and net community benefit.

It is our view, that the provision and development of employment land should not be hindered by poorly worded, and thus inconsistently interpreted, planning controls. We are not seeking to reinvent the wheel here. The provision of the traditional Applied Zones to the UGZ2, would resolve this confusion. The Applied Zone for *Service Business* can be the Commercial 2 Zone (C2Z) and for *Industrial* the Industrial 1 Zone (IN1Z), both of which are perfectly appropriate and flexible enough to encourage employment uses, while protecting the local amenity.

### 2. Interpretation of Service Business & Industrial Land;

The provision of *Service Business* Land within the precinct with the intention of providing an adequate interface with residential land and acting as a transition from residential to *Industrial* land is appropriate. Similarly, we agree with the CREPSP vision of allowing the establishment of heavier industrial uses at locations further away from residential and sensitive land uses.

However, the PSP Employment Land Planning and Design Guidelines (Table 6) includes a set of *Service Business* and *Industrial* requirements which are considered to be inflexible and over prescriptive. Below are a few examples of planning and design guidelines that must be met, offering no flexibility and no opportunity to demonstrate any opportunities for net community benefit:

#### *Service Business*

- *Uses with adverse amenity potential (noise, hours of operation, fumes) are not to establish in the area.*

The above guideline is appropriate in principle. However, the interpretation of whether a use has amenity potential is subjective. The appropriateness of land uses should be governed by relevant clauses of the Cardinia Planning Scheme, such as Clause 53.10 'Uses with Adverse Amenity Potential' which does not prohibit certain uses from establishing due to their proximity to sensitive land but rather require the Environment Protection Authority participation in the planning process as a determining referral authority to qualify their appropriateness.

- *Signage is to be provided within the built form, with a maximum building frontage to signage ratio of no more than 3:1*

The above guideline is over prescriptive and prevents appropriate high quality signage supporting local businesses in the area. The appropriateness of signage should be assessed against relevant clauses of the Cardinia Planning Scheme, such as Clause 52.05 'Signs'. This control is also not consistent with the application of signage controls in more recent PSPs (both in Cardinia Shire and elsewhere), which may lead to a PSP competitive disadvantage.

- *Where warehousing is provided, it must be in conjunction with an office and a floorspace ratio of no more than 4:1 is to be achieved (for example, a 400m<sup>2</sup> warehouse must provide at least 100m<sup>2</sup> of office.*

The above guideline is over prescriptive and does not allow for unique responses to unique developments.

- *Where cafes, restaurants, convenience shops and convenience restaurants are provided, they are to be located adjacent to open space and with frontage to an arterial road or connector street except where the site adjoins or forms part of a petrol station.*

The above guideline is over prescriptive and prevents potentially appropriate and high quality cafes and restaurants to establish within Service Business areas, where there may be demonstrated need, in particular during business hours.

#### *Industrial*

- *Allotments of up to 5 hectares are to be provided to cater for a wide range of industry types. Larger lots can be provided where a specified use is identified.*

The above guideline is over prescriptive and prevents potential large operations from establishing within the precinct in the long term. It does not allow a site specific or business specific response to the evolution of market forces.

- *Uses with adverse amenity potential may be considered if it is demonstrated that the Residential, Activity Centre and Commercial land (noise, light, spillage, hour of operation) is not adversely affected (subject to buffer requirements and distances illustrated in Appendix A)*

The above 'must' guideline allows for the consideration of uses with adverse amenity potential to establish provided they can demonstrate such amenity impact potential can be managed. However, the words "subject to buffer requirements and distances illustrated in Appendix A" indicate such uses cannot establish within the buffer zones defined in Appendix A of the PSP. Again, we argue this is an inflexible policy which repels potential operators capable of occupying land within buffers whilst demonstrating no adverse amenity impacts upon surrounding sensitive land would take place. The planning permit application process is considered to be the best process by which adverse amenity potential can be defined and managed, as opposed to a blanket prohibition of uses.

- *Office components of industrial developments are to be provided along the street frontage*

The above guideline is inflexible, and not consistent with requirements in other PSPs. Again, a specific development outcome alternative to the above format could be presented and justified against the PSP and the Cardinia Planning Scheme.

- *A maximum street setback of 3 metres is to be achieved, except opposite residential areas where a setback of 6 metres is required.*

This is another example of a lack of flexibility, and leading to an unnecessary blockage to potential high quality industrial development, with greater front setbacks preferred by prospective developers and operators.

Once again, these identified items are not limited to those listed above, but certainly provide a flavour to some of the obstructions in the planning controls, created by the specific and inflexible wording of this PSP. Excellent planning outcomes can be achieved, without every single detail being mandated at a PSP level, particularly where permits are required, and each can be assessed on their own individual merits. It is our view that design objectives, rather than prescriptive controls would achieve Councils vision for the development of the employment uses, while not limiting design flair and choices of solutions.

### **3. Infrastructure Provision**

The CREPSP is not currently supported by a Development/Infrastructure Contribution Plan, leaving the important matter of delivering the necessary precinct wide infrastructure, at the mercy of non-coordinated negotiations between Council and proponents. It is also

evident, in the years since this PSP has been approved, that neither South East Water nor Melbourne Water have contemplated sufficiently the necessary strategic and concept planning, causing confusion, delays and ad hoc negotiations.

An obvious example of the lack of coordination and leadership in regards to infrastructure provision, is the urgent need for Council to clearly articulate a position in respect to the widening and upgrade design of Cardinia Road. In particular, we note that during the assessment of Planning Application T210184 for the staged subdivision of our client's land, the Council have requested land acquisition, intersection and road widening works to be delivered by our client. Some of these infrastructure items extend well beyond the site's immediate context and rely on external development and traffic variables. Again, it is evident a fair and integrated plan is required to deliver infrastructure which supports land development within CREPSP.

Through our experience with our clients land, it has also become apparent that Council intends to keep the existing pavement of Cardinia Road as a western carriageway. Thus, requiring the construction of an Eastern carriageway where the proponent must surrender land which is approximately 19 metres wide, to the east of Cardinia Road. Contextual planning analysis appears to show this is not an appropriate definition of the ultimate Cardinia Road extent. In particular:

- The existing culverts under Cardinia Rd may not be wide enough to accommodate this arrangement and will likely need extending.
- The matter of funding of such additional works is not defined, creating uncertainty.
- It is not clear whether an alternative to fund the culvert extension (or any works) can be provided by DCP payments in lieu of building a second carriageway of Cardinia Road, given traffic evidence available demonstrating these works will not be required for quite some time.

This specific example in particular, is provided to highlight the issues arising from the lack of holistic infrastructure planning. Questions of equity, and fairness, and funding, and timing and delivery are not addressed, and appear to be resolved on an "as permits are lodged" basis. This is not the most appropriate solution for infrastructure delivery at this scale and of this importance.

A precinct wide integrated Development/Infrastructure Contributions Plan which facilitates the fair provision of infrastructure to support CREPSP is an item that will likely be supported by all precinct land owners and prospective development proponents, as it will provide certainty about the cost of developing land within CREPSP.

#### **4. Other**

We acknowledge that it is a significant exercise to meticulously review and update the entirety of the PSP. However, we highlight the very important and specific issues above in particular, as they have regularly resulted in confusion and delays in our recent experience of preparing planning permit applications and which we request the Council contemplates incorporating in the CREPSP review as a matter of priority. Beyond this, there are other inconsistencies that we wish to highlight in short, to further support our submission. These include:

- Review of generally in accordance requirements in light of best planning practice;
- Consideration of the impacts of recently approved / reviewed PSPs outlined in the table above, and what effect they will have on the feasibility of this PSP.
- More clear definitions of application requirements, what is really needed to support a permit application, and what can be submitted as conditions of permits. For example, is a preliminary site assessment required prior to land hosting employment land?
- Roads along gas easements that are not supported by the APA, together with a reduction to the number of gas easement road crossings.
- Allowing road width variations in instances where for example shared paths are provided within drainage reserves (for cycling and pedestrians), consistent with best design outcomes shown in more recent PSPs.
- Allowing for flexibility in respect to the provision of unencumbered public open space (parks) which differs from the PSP but which achieves greater walkability catchment and/or caters for the specific needs of the employment precinct users.
- Acknowledging that boundary re-alignments and collaboration amongst landowners to reconcile boundaries better defining PSP land categories are actions which facilitate the PSP implementation and support its vision.

## CONCLUSION & RECOMMENDATIONS

Over the last 10 years or so, no employment land within the PSP has been developed and it has become evident CREPSP is outdated and in need of an urgent update and review, in order to support the creation of employment land and fulfil its role of providing developers, investors and local communities with certainty about future development (PSP Section 1.2).

The CREPSP Review should be regarded as a top strategic planning priority over the commencement and progress of other Employment PSPs within Cardinia which have the potential to undermine CREPSP by contributing towards an oversupply of employment land. In this context, we believe the Council should seek support from the Victorian Planning Authority (VPA) to deliver the CREPSP Review in a timely and efficient manner.

An adequate review of the CREPSP would support its role of providing developers, investors and local communities with certainty about future development. It would promote local job creation reversing negative trends for skill and expenditure migration and consolidate the precinct as an employment hub in a privileged location in terms of access, supporting the future Costco operation and being located adjacent to Kaduna Park Estate.

Broadly, we believe a full and comprehensive CREPSP Review should take place as a matter priority. However, considering how intensive and complex this task may be and how it may impact timeframes, we request the Council supports and initiates proposed streamlined CREPSP Review incorporating the items discussed in this letter as a matter of urgency.

Alternatively, if the Council accepts to undertake a full review of CREPSP, we recommend the following actions are specifically undertaken to support the review:

- a. Council undertake a full review of CREPSP – at the earliest opportunity (as top priority in the Shire for job creation), including but not limited to:
  - i. Guidelines;
  - ii. Tables;
  - iii. Conditions;
  - iv. Plans;
  - v. Overall content; and
  - vi. UGZ Schedule
- b. Engage with landowners, stakeholders, infrastructure authorities, DELWP / VPA
- c. Identify all issues and impediments to development
- d. Provide solutions and recommendations for changes
- e. Propose a process for amendment to PSP (planning scheme amendment, with or without a panel, with or without Ministerial intervention, etc.)

We would welcome further discussions with the Council to support this process. If you have any queries or wish to discuss this matter further, please do not hesitate to contact us.

Kind Regards,



**Randah Jordan**

Manager, Town Planning & Urban Design